

AMENDED IN SENATE SEPTEMBER 8, 2005

AMENDED IN SENATE AUGUST 29, 2005

AMENDED IN SENATE MAY 12, 2005

AMENDED IN SENATE APRIL 26, 2005

AMENDED IN SENATE APRIL 14, 2005

AMENDED IN SENATE APRIL 12, 2005

---

---

**SENATE BILL**

**No. 1024**

**Introduced by Senators Perata and Torlakson**  
**(Principal coauthors: Senators Migden, Murray, and Soto)**  
**(Coauthors: Senators Alquist, Kehoe, Lowenthal, and Machado)**

February 22, 2005

---

---

An act to add Chapter 12.49 (commencing with Section 8879.20) to Division 1 of Title 2 of the Government Code, *to add Chapter 3.6 (commencing with Section 50535) to Part 2 of Division 31 of the Health and Safety Code, and to add and repeal Section 2704.21 of, and to repeal Chapter 20 (commencing with Section 2704) of Division 3 of, the Streets and Highways Code*, relating to public works and improvements by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, *making an appropriation therefor*, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1024, as amended, Perata. Public works and improvements: bond measure.

(1) Existing law provides various funding sources for transportation purposes.

This bill would enact the Safe Facilities, Improved Mobility, and Clean Air Bond Act of 2005 to authorize ~~—\$7,825,000,000~~ \$10,275,000,000 in state general obligation bonds for specified purposes, including the state transportation improvement program, *passenger rail improvements*, levee improvements, *flood control*, restoration of Proposition 42 transportation funds, port infrastructure and security projects, trade corridors of significance, emissions reduction projects, environmental enhancement projects, ~~—and~~ *transit-oriented development*, transportation needs in cities, counties, and cities and counties that meet certain requirements relative to provisions of housing needs in their communities, *and housing, regional growth, and infill development purposes*, subject to voter approval.

This bill would require the Secretary of State to submit the proposed bond measure to the voters at the November 7, 2006, election.

*This bill would establish the Transit-Oriented Development Implementation Program, to be administered by the Department of Housing and Community Development. The bill would create the Transit-Oriented Development Fund in the State Treasury as a continuously appropriated fund, thereby making an appropriation, and would provide for certain moneys to be deposited in the fund. These provisions would become operative only if the voters approve the bond act.*

*This bill would also provide for the repeal of certain provisions of existing law relating to the High-Speed Passenger Train Bond Act for the 21st Century if the voters approve this bond act.*

*This bill would enact other related provisions.*

(2) This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: ~~no~~-yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 12.49 (commencing with Section  
2 8879.20) is added to Division 1 of Title 2 of the Government  
3 Code, to read:

CHAPTER 12.49. THE SAFE FACILITIES, IMPROVED MOBILITY,  
AND CLEAN AIR BOND ACT OF 2005

Article 1. General Provisions

8879.20. (a) This chapter shall be known as the Safe Facilities, Improved Mobility, and Clean Air Bond Act of 2005.

(b) This chapter shall only become operative upon adoption by the voters at the November 7, 2006, election.

8879.21. The Legislature finds and declares all of the following:

(a) Between 1970 and 1995, California's population increased 60 percent and the number of vehicle miles traveled on the state's highway system increased 170 percent, straining the state's already burdened transportation system and increasing the state's serious congestion problems.

(b) The volume of United States trade passing through California's ports in the year 2000 was valued at \$439 billion and estimated to be 40 percent of all goods entering the country. Trade in California is estimated to double between now and the year 2020.

(c) Congestion in and around California's seaports, airports, and other transportation terminals threatens the state's economy, increases traffic problems, and results in poor air quality, particularly in those communities near port and terminal facilities.

(d) California is now home to six of the nation's 25 most congested urban areas. Los Angeles, San Francisco, San Diego, Riverside, San Jose, and Sacramento are on this dubious list. This level of congestion costs Californians millions of dollars in lost time, lost production, and fuel costs.

(e) Despite increased pressures on the state's transportation system, funds intended for investment in the system have not materialized in recent years, delaying capacity and safety improvements.

(f) During the 2003-04 and 2004-05 fiscal years, \$2.1 billion in funding intended to be transferred to the Transportation Improvement Fund (TIF) was retained in the General Fund, denying the state's transportation system funds for improvements

1 and obligating the General Fund to repay those dollars in  
2 2007-08 and 2008-09.

3 (g) Funding shortfalls do not just impact traditional  
4 transportation facilities. According to the Department of Water  
5 Resources (DWR), the absence of a dedicated funding stream to  
6 improve the state's 1,600 miles of levees has forced maintenance  
7 to be deferred, thereby jeopardizing the structural integrity of the  
8 levees that provide flood protection for 200,000 structures,  
9 500,000 people, and two million acres of farm land, estimated to  
10 be valued at \$47 billion.

11 (h) (1) *The recently-completed environmental studies by the*  
12 *High-Speed Rail Authority determined all of the following:*

13 (A) *By the year 2020, there will be 11 million more people*  
14 *living in California, who will take 100 million more intercity*  
15 *trips, which will clog up our already congested freeways and*  
16 *airports.*

17 (B) *A new state-of-the-art high-speed train network serving all*  
18 *major metropolitan areas of the state will best serve the increase*  
19 *in intercity travel demands of the future.*

20 (C) *The high-speed train network will cost less than one-third*  
21 *of the cost to serve intercity trips on the highways or at the*  
22 *airports.*

23 (D) *The high-speed train network is far more safe and reliable*  
24 *than the automobile and the plane.*

25 (E) *The high-speed train network will be more*  
26 *environmentally friendly, save energy, and reduce air pollution.*

27 (F) *The high-speed train network will improve the state's*  
28 *economy and create 450,000 permanent jobs in California.*

29 (2) *Therefore, the construction of the high-speed train network*  
30 *as defined in the authority's final environmental impact report*  
31 *completed in 2005 is a high-priority transportation infrastructure*  
32 *project for the state and should be constructed on an incremental*  
33 *basis. This bond measure would provide the funding necessary*  
34 *for the first phase and the next four years of activities that can be*  
35 *accomplished towards building the high-speed train network,*  
36 *while providing rail improvements to improve the flow and*  
37 *enhance the safety of passenger and freight rail services in*  
38 *California.*

39 (h)

1 (i) Enactment of the Safe Facilities, Improved Mobility and  
2 Clean Air Act of 2005 would provide needed investment to make  
3 the necessary improvements to relieve traffic congestion,  
4 increase mobility, improve the state's trade corridors, strengthen  
5 the state's levees, improve air quality, provide incentives for the  
6 production of affordable housing, and keep California's economy  
7 strong.

8 8879.22. As used in this chapter, the following terms have the  
9 following meanings:

10 (a) "Board" means any department receiving an allocation  
11 from the Department of Finance.

12 (b) "Committee" means the Safe Facilities, Improved  
13 Mobility, and Clean Air Finance Committee created pursuant to  
14 Section 8879.27.

15 (c) "Fund" means the Safe Facilities, Improved Mobility, and  
16 Clean Air Bond Fund of 2005 created pursuant to Section  
17 8879.23.

18  
19 Article 2. Safe Facilities, Improved Mobility, and Clean Air  
20 Bond Fund of 2005 and Program  
21

22 8879.23. The Safe Facilities, Improved Mobility, and Clean  
23 Air Bond Fund of 2005 is hereby created in the State Treasury.  
24 The proceeds of bonds issued and sold pursuant to this chapter  
25 for the purposes specified in this chapter are hereby appropriated,  
26 without regard to fiscal years, to the Department of Finance for  
27 allocation in the following manner:

28 (a) One billion five hundred million dollars (\$1,500,000,000)  
29 for projects in the State Transportation Improvement Program, to  
30 augment funds otherwise available for this purpose from other  
31 sources. The funds provided by this subdivision shall be  
32 deposited in the Transportation Facilities Account which is  
33 hereby created in the fund, and shall be available for  
34 appropriation to the Department of Transportation and for  
35 allocation by the California Transportation Commission.

36 ~~(b) One billion dollars (\$1,000,000,000) shall be available to~~  
37 ~~the Department of Water Resources for the inspection,~~  
38 ~~evaluation, improvement, and strengthening of the state's~~  
39 ~~federally designated project levees. The funds shall be deposited~~  
40 ~~in the Levee Facilities Account which is hereby created in the~~

~~fund. The funds shall be made available for levee improvements on a matching basis, with the share provided from these bond revenues to pay for no more than 75 percent of a project's costs, and with the remaining matching funds to be provided in the form of local or regional assessment fee revenues, other local funds, or any federal funds available for those purposes.~~

*(b) (1) On billion dollars (\$1,000,000,000) shall be deposited in the Flood Control Account, which is hereby created in the fund. The money in the account shall be available to the Department of Water Resources, the State Reclamation Board, or any successor agency, upon appropriation by the Legislature, for the inspection, evaluation, improvement, construction, modification, and relocation of flood control levees, weirs, or bypasses constructed in cooperation with the United States, including related environmental mitigations and related infrastructure relocations.*

*(2) The Legislature may enact any legislation as is necessary to implement this subdivision.*

*(c) Two billion three hundred million dollars (\$2,300,000,000) for restoration of Proposition 42 (Article XIX B) revenues, to be deposited in the Proposition 42 Repayment Account, which is hereby created in the fund. Money deposited in the account shall be used by the Controller, in lieu of moneys from the General Fund, to meet the transfer obligations to the Transportation Deferred Investment Fund specified in Sections 7105 and 7106 of the Revenue and Taxation Code as a result of suspending the transfer of moneys from the General Fund to the Transportation Investment Fund pursuant to Sections 14557.1 and 14558 of the Government Code with respect to the 2003-04 and 2004-05 fiscal years. Funds deposited in the Transportation Deferred Investment Fund shall be allocated as provided in Sections 7105 and 7106 of the Revenue and Taxation Code as those sections read on January 1, 2005.*

*(d) Two billion five hundred million dollars (\$2,500,000,000) to be deposited in the California Ports Infrastructure, Security, and Air Quality Improvement Account, which is hereby created in the fund. The money in the account shall be available as follows:*

*(1) Two billion dollars (\$2,000,000,000) shall be transferred to the Global Gateways Improvement Fund, which is hereby*

1 created. The money in this fund shall be available for allocation  
2 by the California Transportation Commission for infrastructure  
3 improvements along federally-designated “Trade Corridors of  
4 National Significance” in this state or along other corridors  
5 within this state that have a high volume of freight movement, as  
6 determined by the commission. Applicants for these funds shall  
7 provide matching funds from other revenues, in a percentage  
8 amount to be determined by the commission. In determining  
9 projects eligible for funding, the commission shall consult the  
10 Global Gateways Development Program report prepared by the  
11 Business, Transportation and Housing Agency pursuant to SCR  
12 96 (Resolution Chapter 158, Statutes of 2000) or trade corridor  
13 improvement projects identified in an approved regional  
14 transportation plan. Eligible projects for these funds include all  
15 of the following:

16 (A) Highway capacity improvements and operational  
17 improvements to more efficiently accommodate the movement of  
18 freight, particularly for ingress and egress to and from the state’s  
19 seaports, land ports of entry, and airports, and to relieve traffic  
20 congestion along major trade or goods movement corridors.

21 (B) Freight rail system improvements to enhance the ability to  
22 move goods from seaports, land ports of entry, and airports to  
23 warehousing and distribution centers throughout California,  
24 including projects that separate rail lines from highway traffic  
25 and other projects that improve the efficiency and capacity of the  
26 rail freight system.

27 (C) Projects to enhance the capacity and efficiency of ports.

28 (2) Four hundred million dollars (\$400,000,000) shall be  
29 available for transfer to the Carl Moyer Memorial Air Quality  
30 Standards Attainment Trust Fund, created pursuant to Section  
31 44299 of the Health and Safety Code. Funds under this paragraph  
32 shall be available for allocation by the State Air Resources Board  
33 to reduce covered emissions from a covered source, as those  
34 terms are defined in paragraphs (5) and (7) of subdivision (a) of  
35 Section 44275 of the Health and Safety Code, relative to sources  
36 used primarily in the operations of ports in this state.

37 (3) One hundred million dollars (\$100,000,000) shall be  
38 available to the California Infrastructure and Economic  
39 Development Bank to be allocated, as grants, for port, harbor,  
40 and ferry terminal security improvements. The money made

1 available under this paragraph shall be continuously appropriated  
2 to the bank without regard to fiscal years. Eligible applicants  
3 shall be publicly owned ports, harbors, and ferry boat and ferry  
4 terminal operators, which may submit applications for the  
5 following types of projects:

6 (A) Video surveillance equipment.

7 (B) Explosives detection technology, including, but not  
8 limited to, X-ray devices.

9 (C) Cargo scanners.

10 (D) Radiation monitors.

11 (E) Thermal protective equipment.

12 (F) Site identification instruments capable of providing a  
13 fingerprint for a broad inventory of chemical agents.

14 (G) Other devices capable of detecting weapons of mass  
15 destruction using chemical, biological, or other similar  
16 substances.

17 (H) Other security equipment to assist in any of the following:

18 (i) Screening of incoming vessels and incoming or outbound  
19 cargo.

20 (ii) Monitoring the physical perimeters of harbors, ports, and  
21 ferry terminals.

22 (iii) Providing or augmenting onsite emergency response  
23 capability.

24 (I) Overweight cargo detection equipment, including, but not  
25 limited to, intermodal crane scales and truck weight scales.

26 (J) Developing disaster preparedness or emergency response  
27 plans.

28 (e) One hundred million dollars (\$100,000,000) to be  
29 deposited in the Transportation Project Enhancement and  
30 Mitigation Account, which is hereby created in the fund. The  
31 money in the account shall be available for transfer to the  
32 Environmental Enhancement and Mitigation Program Fund  
33 created pursuant to Section 164.56 of the Streets and Highways  
34 Code, for allocation to projects pursuant to that section.

35 (f) (1) Four hundred twenty-five million dollars (\$425,000,000)  
36 to be deposited in the Affordable Housing Incentive Program  
37 Account, which is hereby created in the fund. Funds shall be  
38 available, upon appropriation, to the California Transportation  
39 Commission for the purpose of providing transportation funding  
40 grants, upon application, to cities, counties, and cities and



1 counties that meet a significant portion of their overall and  
2 affordable housing needs. In order to be eligible for funds  
3 pursuant to this subdivision, a city, county, or city and county  
4 shall meet all of the following criteria:

5 (A) The city, county, or city and county has adopted a revised  
6 housing element in accordance with Section 65588 that the  
7 Department of Housing and Community Development has  
8 determined pursuant to Section 65585 to be in substantial  
9 compliance with the requirements of Article 10.6 (commencing  
10 with Section 65580) of Chapter 3 of Division 1 of Title 7. For the  
11 purposes of this paragraph, an adopted housing element that has  
12 been self-certified pursuant to Section 65585.1 shall be deemed  
13 to have been approved by the department, unless a court finds  
14 that the jurisdiction's housing element does not substantially  
15 comply with that article.

16 (B) The city, county, or city and county has met, as  
17 determined by the Department of Housing and Community  
18 Development in accordance with the forms and definitions  
19 determined by the department pursuant to Section 65400, at least  
20 80 percent of its annualized overall housing need during the  
21 preceding year or 80 percent of its overall housing need from the  
22 beginning of the planning period, as determined pursuant to  
23 Section 65584.

24 (C) The city, county, or city and county has met, as  
25 determined by the Department of Housing and Community  
26 Development in accordance with the forms and definitions  
27 determined by the department pursuant to Section 65400, at least  
28 30 percent of its annualized housing need for each of the very  
29 low, low-, and moderate-income categories during the preceding  
30 year or 30 percent of its overall housing need in each of the very  
31 low, low-, and moderate-income categories from the beginning  
32 of the planning period, as determined pursuant to Section 65584.

33 (2) The Department of Housing and Community Development  
34 shall report annually to the California Transportation  
35 Commission a list of cities, counties, or cities and counties that  
36 have met the requirements of paragraph (1).

37 (3) The California Transportation Commission shall award  
38 funds available under this section over a five-year period.

39 (4) Funds awarded pursuant to this section shall be used for  
40 improvements to neighborhood streets and roads. Improvements,

1 as used in this paragraph, mean those activities described in  
2 subdivision (e) of Section 7104 of the Revenue and Taxation  
3 Code.

4 (g) *Nine hundred seventy-five million dollars (\$975,000,000)*  
5 *to be deposited in the Regional Housing and Community Growth*  
6 *Incentive Account, which is hereby created in the fund. The*  
7 *money in the account shall be available as follows:*

8 (1) *Twenty five million dollars (\$25,000,000) shall be*  
9 *available to the secretary for grants for the development of*  
10 *regional growth plans in accordance with the following*  
11 *schedule:*

12 (A) *Grants to regional agencies with a population of one*  
13 *million or more: fifteen million dollars (\$15,000,000).*

14 (B) *Grants to regional agencies with a population of under*  
15 *one million: ten million dollars (\$10,000,000).*

16 (2) *Seventy five million dollars (\$75,000,000) shall be*  
17 *available to the secretary for grants to regional agencies for the*  
18 *establishment of revolving funds and for grants, to pay the costs*  
19 *incurred by local governments within the region to identify,*  
20 *review, and adopt any land use policies including amendments to*  
21 *general plans, community or neighborhood plans, zoning codes,*  
22 *subdivision codes, guidelines or planning policies necessary to*  
23 *authorize urban infill development in an area designated for that*  
24 *development in a regional growth plan. Eligible costs include*  
25 *those associated with compliance with Division 13 (commencing*  
26 *with Section 21000) of the Public Resources Code and costs*  
27 *necessary to conduct public outreach programs and facilitate*  
28 *citizen involvement in the plan development and approval*  
29 *process. Any fees recovered from project applicants that benefit*  
30 *from the plans and environmental review funded under this*  
31 *subdivision shall be transferred to the regional agency for use*  
32 *for the purposes of this subdivision or returned to the state at*  
33 *such time and under such terms as the secretary determines that*  
34 *further use of loan funds for these purposes is not required.*

35 (3) *Two hundred million dollars (\$200,000,000) shall be*  
36 *available to the Secretary of Resources for competitive grants*  
37 *based on regional growth plans as follows:*

38 (A) *Grants shall be for the acquisition of wildlife habitat, open*  
39 *space, and easements on agricultural land consistent with an*  
40 *adopted and certified regional growth plan that contains a*

1 *resource conservation element that analyzes and identifies*  
2 *mitigation for significant impacts on those resources considered*  
3 *in the regional growth plan.*

4 *(B) The regional agency may allow project applicants whose*  
5 *projects conform to the regional growth strategy to mitigate all*  
6 *or a portion of their impacts on wildlife habitat, agricultural*  
7 *lands and open space by payment of a fee, equal to the*  
8 *proportional impacts of the project.*

9 *(C) The Secretary of Resources shall award grants pursuant to*  
10 *this paragraph based on the applicant's demonstration, as*  
11 *reviewed by the appropriate department within the Resources*  
12 *Agency, that the grant will promote the following:*

13 *(i) Long term sustainable protection of wildlife habitat,*  
14 *wildlife corridors, and prime agricultural land within the region.*

15 *(ii) The use of the grant funds will assist in the implementation*  
16 *of land use policies of the regional growth plan, state planning*  
17 *priorities specified pursuant to Section 65041.1 of the*  
18 *Government Code, and with state policies for regional growth*  
19 *that are consistent with those priorities, including the provisions*  
20 *of SB 832 of the 2005-06 Regular Session, if that legislation is*  
21 *enacted.*

22 *(iii) The use of the grant funds is consistent with other wildlife*  
23 *protection plans and strategies within the region including any*  
24 *natural community conservation plans, habitat conservation*  
25 *plans, state approved open space plans, or other regional*  
26 *conservation plans.*

27 *(iv) Project applicants are required to pay a fee equal to their*  
28 *proportional impacts.*

29 *(v) All fees paid pursuant to paragraph (iv) are used by the*  
30 *regional agencies for additional conservation projects consistent*  
31 *with the provisions of this paragraph or are returned to the state*  
32 *under such terms as the secretary shall determine.*

33 *(D) No grant shall be made until an implementing agreement*  
34 *has been executed between the secretary and the regional agency*  
35 *that includes:*

36 *(i) Provisions identifying the conservation goals, scope and*  
37 *geographical coverage of the plan.*

38 *(ii) Provisions identifying which public agencies or nonprofit*  
39 *organizations will be responsible for acquisition, management,*  
40 *and monitoring of conservation lands and easements under the*

1 grant. To the extent feasible, public agencies responsible for  
2 similar conservation activities should be used wherever that  
3 capacity already exists in the region.

4 (iii) Provisions to ensure the monitoring of easements and the  
5 protection of habitat values on lands acquired.

6 (iv) Provisions for the determination of mitigation credits and  
7 fees, where applicable, and for the use of fees for additional  
8 conservation expenditures under the plan.

9 (E) The secretary may impose such other conditions as are  
10 necessary to meet the goals of this subdivision.

11 (4) (A) Four hundred twenty-five million dollars  
12 (\$425,000,000) shall be available to the secretary for competitive  
13 infill incentive grants to local public agencies that meet the  
14 following criteria:

15 (i) The local public agency is included in a regional growth  
16 plan.

17 (ii) The local public agency has conformed its local planning  
18 to the regional growth plan by adopting any land use policies  
19 including amendments to its general plan, community or  
20 neighborhood plans, zoning codes, subdivision codes, guidelines  
21 and polices necessary to provide for growth in those areas  
22 designated for urban development and prohibiting or limiting  
23 growth in those areas designated for other than urban uses  
24 consistent with the regional growth plan.

25 (iii) The region meets the requirements for local plan  
26 consistency for that round of grant funding.

27 (B) Grants pursuant to this paragraph shall be issued in four  
28 annual grant cycles beginning two years after the enactment of  
29 this chapter. To be eligible for a grant cycle, local public  
30 agencies covering not less than the percentage of population in  
31 the applicable region specified below must have met the  
32 requirements of paragraph (ii). Conformity requirements for  
33 each cycle are as follows:

34 (i) Grant cycle 1: 25 percent.

35 (ii) Grant cycle 2: 50 percent.

36 (iii) Grant cycle 3: 75 percent.

37 (iv) Grant cycle 4: 90 percent.

38 (C) The secretary shall establish additional criteria for the  
39 award of infill incentive grants to local agencies based on the  
40 degree to which the grants will assist the local public agency in

1 *increasing infill development and urban revitalization in an area*  
2 *designated by the regional growth plan for such development.*

3 *(D) Grant funds may be used for any capital outlay purpose*  
4 *consistent with this subdivision including, but not limited to:*

5 *(i) Creation, development and rehabilitation of urban parks,*  
6 *river parkways, and other public recreational facilities.*

7 *(ii) Urban greening projects including tree planting,*  
8 *community landscaping and other improvements to enhance the*  
9 *enjoyment and livability of urban neighborhoods.*

10 *(iii) Water, sewer, or other public utility infrastructure costs*  
11 *associated with infill development.*

12 *(iv) Street, road or other transportation improvements*  
13 *including transit improvements, bikeways, trolleys, and*  
14 *pedestrian facilities.*

15 *(5) Two hundred million dollars (\$200,000,000) shall be*  
16 *transferred to the Housing Rehabilitation Loan Fund to be*  
17 *expended pursuant to the Multifamily Housing Program*  
18 *authorized by Chapter 6.7 (commencing with Section 50675) of*  
19 *Part 2 of Division 31 of the Health and Safety Code to be used*  
20 *for projects that meet either of the following criteria:*

21 *(A) The project is located in an area designated for infill*  
22 *development by a regional growth plan.*

23 *(B) The project qualifies for an exemption from the California*  
24 *Environmental Quality Act pursuant to Sections 21159.22,*  
25 *21159.23, or 21159.24 of the Public Resources Code.*

26 *(6) Fifty million dollars (\$50,000,000) shall be transferred to*  
27 *the Orphan Share Reimbursement Trust Fund to be expended by*  
28 *the administrator pursuant to the provisions of the Orphan Share*  
29 *Reimbursement Trust Fund established pursuant to Article 7.8*  
30 *(commencing with section 25390) of Chapter 6.8 of Division 20*  
31 *of the Health and Safety Code to be used for projects that are*  
32 *located in an area designated for infill development by a*  
33 *regional growth plan.*

34 *(7) The following definitions apply to this subdivision:*

35 *(A) "Secretary" means the Secretary of Business,*  
36 *Transportation and Housing.*

37 *(B) "Neighborhood plan" means a plan that meets the*  
38 *requirements of Section 65458 of the Government Code.*

39 *(C) "Regional agency" means a federally designated*  
40 *metropolitan planning organization, or a council of governments*

1 *working with a metropolitan planning organization, for a region*  
2 *with a population of greater than one million. It is the intent of*  
3 *the Legislature that standards and procedures for the*  
4 *designation of regional agencies in areas of less than one million*  
5 *in population shall be enacted by statute not later than January,*  
6 *2007.*

7 *(D) “Regional Growth Plan” is a plan that meets the*  
8 *requirements established in Section 65099 of the Government*  
9 *Code for planning or incentive grants.*

10 *(E) “Infill development” means residential or mixed*  
11 *commercial and residential development on an infill site as*  
12 *defined in Section 21061.5 of the Public Resources Code, or in*  
13 *an area of an incorporated city that is predominantly developed*  
14 *with qualified urban uses and which has been designated for*  
15 *infill development by a regional growth plan.*

16 *(h) (1) Two hundred million dollars (\$200,000,000) shall be*  
17 *deposited in the Flood Control Matching Account, which is*  
18 *hereby created in the fund. The money in the account shall be*  
19 *available to the Department of Water Resources for the purposes*  
20 *of funding the state’s share of the nonfederal costs of flood*  
21 *control and flood prevention projects adopted and authorized as*  
22 *of January 1, 1999, under the State Water Resources Law of*  
23 *1945 (Chapter 1 (commencing with Section 12570) and Chapter*  
24 *2 (commencing with Section 12639) of Part 6 of Division 6 of the*  
25 *Water Code), the Flood Control Law of 1946 (Chapter 3*  
26 *(commencing with Section 12800) of Part 6 of Division 6 of the*  
27 *Water Code), and the California Watershed Protection and*  
28 *Flood Prevention Law (Chapter 4 (commencing with Section*  
29 *12850) of Part 6 of Division 6 of the Water Code), including the*  
30 *credits and loans to local agencies pursuant to Sections 12585.3*  
31 *and 12585.4, subdivision (d) of Section 12585.5, and Sections*  
32 *12866.3 and 12866.4 of the Water Code, and to implement*  
33 *Chapter 3.5 (commencing with Section 12840) of Part 6 of*  
34 *Division 6 of the Water Code.*

35 *(2) It is the intent of the Legislature that the state’s share of*  
36 *the nonfederal costs of projects for flood control and flood*  
37 *prevention adopted and authorized after January 1, 2001, shall*  
38 *not exceed that portion of the nonfederal costs authorized*  
39 *pursuant to Chapter 1, (commencing with Section 12570) of Part*  
40 *6 of Division 6 of the Water Code, or any amendments thereto.*

(i) (1) One billion dollars (\$1,000,000,000) to be deposited in the California Rail Corridor Improvement Account, which is hereby created in the fund. Funds shall be available, upon appropriation by the Legislature, to the High-Speed Rail Authority created pursuant to Division 19.5 (commencing with Section 185000) of the Public Utilities Code, without regard to fiscal year, for expenditure pursuant to paragraph (2).

(2) Funds made available pursuant to this subdivision shall be expended for the following specific corridor segments and purposes:

(A) Two hundred million dollars (\$200,000,000) for the Los Angeles-Irvine segment of the LOSSAN corridor, for project-specific level environmental studies, planning, engineering, right-of-way acquisition, and construction of grade separations, bridges, and tracks. The authority shall develop a consolidated rail plan for the development of passenger rail services in the portion of the LOSSAN corridor between Los Angeles and Irvine. The plan shall formulate strategies to integrate commuter and intercity passenger rail systems and existing rail freight services operating in the corridor segment, improve interfaces with connecting services, and coordinate investments with transit-supportive land use. The plan shall be developed in cooperation with the Los Angeles County Metropolitan Transportation Authority (MTA) and the Orange County Transportation Authority (OCTA). The authority shall provide day-to-day management and technical support for the development of the plan with advice from MTA and OCTA, with input from other Los Angeles and Orange County transportation agencies, the Department of Transportation, Amtrak, railroad freight operators, any other affected agencies, and the general public. The funds may not be used for any right-of-way or construction projects or activity until the final consolidated rail plan is adopted by the authority, MTA, and OCTA.

(B) Two hundred million (\$200,000,000) for the Los Angeles-Riverside-San Diego corridor segment, for project-specific level environmental studies, planning, engineering, right-of-way acquisition, and construction of grade separations, bridges, and tracks. The authority shall develop a consolidated rail plan for the development of passenger rail services in the corridor segment between Los Angeles and

1 *Riverside. The plan shall formulate strategies to integrate*  
2 *commuter and intercity passenger rail systems and existing rail*  
3 *freight services operating in the corridor segment, improve*  
4 *interfaces with connecting services, and coordinate investments*  
5 *with transit-supportive land use. The plan shall be developed in*  
6 *cooperation with the Los Angeles County Metropolitan*  
7 *Transportation Authority (MTA) and the Riverside County*  
8 *Transportation Commission (RCTC). The authority shall provide*  
9 *day-to-day management and technical support for the*  
10 *development of the plan with advice from MTA and RCTC, with*  
11 *input from other Los Angeles, San Bernardino, and Riverside*  
12 *County transportation agencies, the Department of*  
13 *Transportation, Amtrak, railroad freight operators, any other*  
14 *affected agencies, and the general public. The funds may not be*  
15 *used for any right-of-way or construction projects or activity*  
16 *until the final consolidated rail plan is adopted by the authority,*  
17 *MTA, and RCTC.*

18 *(C) Two hundred million dollars (\$200,000,000) for the Los*  
19 *Angeles-Palmdale-Bakersfield corridor segment, for*  
20 *project-specific level environmental studies, planning,*  
21 *engineering, right-of-way acquisition, and construction of grade*  
22 *separations, bridges, and tracks.*

23 *(D) Two hundred million dollars (\$200,000,000) for the*  
24 *Bakersfield-Merced corridor segment, for project-specific level*  
25 *environmental studies, planning, engineering, right-of-way*  
26 *acquisition, and construction of grade separations, bridges, and*  
27 *tracks.*

28 *(E) Two hundred million dollars (\$200,000,000) for the*  
29 *Merced-Bay Area corridor segment, for project-specific level*  
30 *environmental studies, planning, engineering, right-of-way*  
31 *acquisition, and construction of grade separations, bridges, and*  
32 *tracks.*

33 *(3) The authority may transfer funds between the corridor*  
34 *segments identified in paragraph (2) if all of the following*  
35 *conditions are met:*

36 *(A) The availability of matching funds in a particular corridor*  
37 *segment will result in a lower cost to the state for the*  
38 *construction of the entire network.*

39 *(B) The total amount of transfers does not exceed two hundred*  
40 *million dollars (\$200,000,000).*



1 (C) Not more than one-third of the funds specified in  
2 paragraph (2) for any corridor segment are transferred.

3 (4) The authority may not use funds made available under this  
4 subdivision for right-of-way acquisition or construction in the  
5 Los Angeles-Irvine or Los Angeles-Riverside corridor segments  
6 until a consolidated rail plan is adopted pursuant to paragraph  
7 (2). If a consolidated rail plan has not been adopted by 2010, the  
8 authority may transfer funds from a corridor segment that lacks  
9 an adopted plan to another corridor segment. That transfer shall  
10 not be subject to the conditions of paragraph (3).

11 (5) Notwithstanding paragraph (2), the authority may use the  
12 funds made available pursuant to paragraph (2) for the following  
13 additional purposes without regard to corridor segment:

14 (A) Matching federal funds made available for high-speed  
15 train purposes not specified in paragraph (2).

16 (B) Planning, development, certification, and selection of a  
17 high-speed train system, including, but not limited to, rolling  
18 stock, signal systems, and electric power systems.

19 (6) As used in this subdivision, the following terms have the  
20 following meanings:

21 (A) "Authority" means the High-Speed Rail Authority.

22 (B) "High-speed train network" means the tracks, stations,  
23 rolling stock, and related facilities that are necessary for the  
24 operation of the high-speed train service as is further defined  
25 under the preferred alternatives section in the program level  
26 environmental report issued by the authority in 2005.

27 (C) "High-speed train project" means all activities that are  
28 necessary for the construction and operation of the high-speed  
29 train network.

30 (j) Two hundred seventy-five million dollars (\$275,000,000) to  
31 be deposited in the Transit-Oriented Development Account,  
32 which is hereby created in the fund, for transfer to the  
33 Transit-Oriented Development Implementation Fund, for  
34 expenditure pursuant to the Transit-Oriented Development  
35 Implementation Program authorized by Chapter 3.6  
36 (commencing with Section 50535) of Part 2 of Division 31 of the  
37 Health and Safety Code.

## Article 3. Fiscal Provisions

8879.25. Bonds in the total amount of ~~seven ten billion eight~~  
~~hundred twenty-five million dollars (\$7,825,000,000)~~ *two*  
*hundred seventy-five million dollars (\$10,275,000,000)*,  
exclusive of refunding bonds, or so much thereof as is necessary,  
are hereby authorized to be issued and sold for carrying out the  
purposes expressed in this chapter and to reimburse the General  
Obligation Bond Expense Revolving Fund pursuant to Section  
16724.5. All bonds herein authorized which have been duly sold  
and delivered as provided herein shall constitute valid and legally  
binding general obligations of the state, and the full faith and  
credit of the state is hereby pledged for the punctual payment of  
both principal and interest thereof.

8879.26. The bonds authorized by this chapter shall be  
prepared, executed, issued, sold, paid, and redeemed as provided  
in the State General Obligation Bond Law (Chapter 4  
(commencing with Section 16720) of Part 3 of Division 4),  
except Section 16727, and all of the other provisions of that law  
as amended from time to time apply to the bonds and to this  
chapter and are hereby incorporated in this chapter as though set  
forth in full in this chapter.

8879.27. (a) Solely for the purpose of authorizing the  
issuance and sale, pursuant to the State General Obligation Bond  
Law, of the bonds authorized by this chapter, the Safe Facilities,  
Improved Mobility, and Clean Air Finance Committee is hereby  
created. For the purposes of this chapter, the Safe Facilities,  
Improved Mobility, and Clean Air Finance Committee is “the  
committee” as that term is used in the State General Obligation  
Bond Law. The committee consists of the Treasurer, the  
Controller, the Director of Finance, and the Secretary of the  
Business, Transportation and Housing Agency, or a designated  
representative of each of those officials. The Treasurer shall  
serve as the chairperson of the committee. A majority of the  
committee may act for the committee.

(b) The committee may adopt guidelines establishing  
requirements for administration of its financing programs to the  
extent necessary to protect the validity of, and tax exemption for,  
interest on the bonds. The guidelines shall not constitute rules,  
regulations, orders, or standards of general application.

1 (c) For the purposes of the State General Obligation Bond  
2 Law, any department receiving an allocation from the  
3 Department of Finance is designated to be the “board.”

4 8879.28. Upon request of the board stating that funds are  
5 needed for purposes of this chapter, the committee shall  
6 determine whether or not it is necessary or desirable to issue  
7 bonds authorized pursuant to this chapter in order to carry out the  
8 actions specified in Section 8879.23, and, if so, the amount of  
9 bonds to be issued and sold. Successive issues of bonds may be  
10 authorized and sold to carry out those actions progressively, and  
11 be sold at any one time. Bonds may bear interest subject to  
12 federal income tax.

13 8879.29. There shall be collected annually, in the same  
14 manner and at the same time as other state revenue is collected, a  
15 sum of money in addition to the ordinary revenues of the state,  
16 sufficient to pay the principal of, and interest on, the bonds as  
17 provided herein, and all officers required by law to perform any  
18 duty in regard to the collections of state revenues shall collect  
19 that additional sum.

20 8879.30. Notwithstanding Section 13340, there is hereby  
21 appropriated from the General Fund in the State Treasury, for the  
22 purposes of this chapter, an amount that will equal the total of the  
23 following:

24 (a) The sum annually necessary to pay the principal of, and  
25 interest on, bonds issued and sold pursuant to this chapter, as the  
26 principal and interest become due and payable.

27 (b) The sum which is necessary to carry out Section 8879.32,  
28 appropriated without regard to fiscal years.

29 8879.31. The board may request the Pooled Money  
30 Investment Board to make a loan from the Pooled Money  
31 Investment Account, in accordance with Section 16312, for  
32 purposes of this chapter. The amount of the request shall not  
33 exceed the amount of the unsold bonds which the committee has,  
34 by resolution, authorized to be sold for the purpose of this  
35 chapter, less any amount withdrawn pursuant to Section 8879.32.  
36 The board shall execute any documents as required by the Pooled  
37 Money Investment Board to obtain and repay the loan. Any  
38 amount loaned shall be deposited in the fund to be allocated in  
39 accordance with this chapter.

1     8879.32. For the purpose of carrying out this chapter, the  
2 Director of Finance may, by executive order, authorize the  
3 withdrawal from the General Fund of any amount or amounts not  
4 to exceed the amount of the unsold bonds which the committee  
5 has, by resolution, authorized to be sold for the purpose of  
6 carrying out this chapter. Any amounts withdrawn shall be  
7 deposited in the Safe Facilities, Improved Mobility, and Clean  
8 Air Bond Fund of 2005. Any money made available under this  
9 section shall be returned to the General Fund, plus the interest  
10 that the amounts would have earned in the Pooled Money  
11 Investment Account, from money received from the sale of  
12 bonds which would otherwise be deposited in that fund.

13     8879.33. The bonds may be refunded in accordance with  
14 Article 6 (commencing with Section 16780) of the State General  
15 Obligation Bond Law. Approval by the electors of this act shall  
16 constitute approval of any refunding bonds issued pursuant to the  
17 State General Obligation Bond Law.

18     8879.34. Notwithstanding any provisions in the State General  
19 Obligation Bond Law, the maximum maturity of any bonds  
20 authorized by this chapter shall not exceed 30 years from the date  
21 of each respective series. The maturity of each series shall be  
22 calculated from the date of each series.

23     8879.35. The Legislature hereby finds and declares that,  
24 inasmuch as the proceeds from the sale of bonds authorized by  
25 this chapter are not “proceeds of taxes” as that term is used in  
26 Article XIII B of the California Constitution, the disbursement of  
27 these proceeds is not subject to the limitations imposed by that  
28 article.

29     8879.36. Notwithstanding any provision of the State General  
30 Obligation Bond Law with regard to the proceeds from the sale  
31 of bonds authorized by this chapter that are subject to investment  
32 under Article 4 (commencing with Section 16470) of Chapter 3  
33 of Part 2 of Division 4, the Treasurer may maintain a separate  
34 account for investment earnings, order the payment of those  
35 earnings to comply with any rebate requirement applicable under  
36 federal law, and may otherwise direct the use and investment of  
37 those proceeds so as to maintain the tax-exempt status of those  
38 bonds and to obtain any other advantage under federal law on  
39 behalf of the funds of this state.

1     *SEC. 1.3. Chapter 3.6 (commencing with Section 50535) is*  
2     *added to Part 2 of Division 31 of the Health and Safety Code, to*  
3     *read:*

4  
5             *CHAPTER 3.6. TRANSIT-ORIENTED DEVELOPMENT*  
6             *IMPLEMENTATION PROGRAM*  
7

8     *50535. There is hereby established the Transit-Oriented*  
9     *Development Implementation Program, to be administered by the*  
10    *Department of Housing and Community Development, to provide*  
11    *local assistance to cities, counties, cities and counties, transit*  
12    *agencies, and developers for the purpose of developing or*  
13    *facilitating the development of higher density uses within close*  
14    *proximity to transit stations that will increase public transit*  
15    *ridership.*

16    *50535.1. (a) There is hereby created in the State Treasury*  
17    *the Transit-Oriented Development Implementation Fund.*

18    *(b) Notwithstanding Section 13340 of the Government Code,*  
19    *all money in the fund, including any interest on loans made from*  
20    *the fund, is hereby continuously appropriated to the department*  
21    *for the purpose of carrying out this chapter.*

22    *(c) All interest, dividends, and pecuniary gains from*  
23    *investments or deposits of moneys in the fund shall accrue to the*  
24    *fund, notwithstanding Section 16305.7 of the Government Code.*  
25    *There shall be paid into the fund all of the following:*

26    *(1) Any moneys appropriated and made available by the*  
27    *Legislature for the purposes of the fund.*

28    *(2) Any moneys that the department receives in repayment of*  
29    *loans made from the fund, including any interest on loans made*  
30    *from the fund.*

31    *(3) Any other moneys that may be made available to the*  
32    *department for the purposes of this chapter from any other*  
33    *source.*

34    *50535.2. (a) To the extent that funds are available, the*  
35    *department shall make grants to cities, counties, cities and*  
36    *counties, or transit agencies for the provision of infrastructure*  
37    *necessary for the development of higher density uses within close*  
38    *proximity to a transit station, or to facilitate connections between*  
39    *that development and the station.*

1     (b) To the extent that funds are available, the department shall  
2     make loans for the development and construction of a housing  
3     development project within close proximity to a transit station.  
4     To be eligible for a loan, at least 15 percent of the units in the  
5     proposed development shall be made available at an affordable  
6     rent or at an affordable housing cost to persons of very low or  
7     low income for at least 55 years. Developments assisted pursuant  
8     to this subdivision shall be on parcels at least a portion of which  
9     are located within one-quarter mile of a transit station. A  
10    housing development project may include a mixed-use  
11    development consisting of residential and nonresidential uses.

12    (c) As used in this chapter, “transit station” shall have the  
13    same meaning as defined in subdivision (b) of Section 65460.1 of  
14    the Government Code.

15    50535.3. (a) In ranking applications pursuant to this  
16    chapter, the department shall, among other criteria, consider the  
17    extent to which the project or development will increase public  
18    transit ridership and minimize automobile trips.

19    (b) The department shall also grant bonus points to projects or  
20    developments that are within the boundaries of a transit village  
21    development plan adopted pursuant to the Transit Village  
22    Development Planning Act of 1994 (Article 8.5 (commencing  
23    with Section 65460) of Chapter 3 of Division 1 of Title 7 of the  
24    Government Code) or that are in an area designated by the  
25    appropriate council of governments for infill development as part  
26    of a regional plan.

27    50535.4. (a) The department may use up to 5 percent of the  
28    funds appropriated for the purposes of this chapter for its costs  
29    in administering the programs authorized by this chapter.

30    (b) The department may administer the programs pursuant to  
31    guidelines that shall not be subject to the requirements of  
32    Chapter 3.5 (commencing with Section 11340) of Division 3 of  
33    Title 2 of the Government Code.

34    50535.5. This chapter shall become operative only if the  
35    voters approve the Safe Facilities, Improved Mobility, and Clean  
36    Air Bond Act of 2005, as contained in S.B. 1024 of the 2005-06  
37    Regular Session.

38    SEC. 1.7. Section 2704.21 is added to the Streets and  
39    Highways Code, to read:

2704.21. *If the voters approve the Safe Facilities, Improved Mobility, and Clean Air Bond Act of 2005, as contained in SB 1024 of the 2005-06 Regular Session, this chapter shall be repealed on the date of that approval, and no bonds shall be sold pursuant to this chapter, and, notwithstanding any other provision of law, the bond act that is the subject of this chapter shall not be placed on the ballot if it has not yet appeared on a ballot.*

SEC. 2. Section 1 of this act shall become operative upon adoption by the voters of the Safe Facilities, Improved Mobility, and Clean Air Bond Act of 2005, as set forth in Section 1 of this act.

SEC. 3. (a) Notwithstanding Sections 9040, 9043, 9044, 9061, and 9094 of the Elections Code, or any other provision of law, the Secretary of State shall submit Section 1 of this act to the voters at the November 7, 2006, election.

(b) The Secretary of State shall ensure the placement of Section 1 of this act on the November 7, 2006, election ballot, in substantial compliance with any statutory time requirements applicable to the submission of statewide measures to the voters at a statewide election.

(c) The Secretary of State shall include, in the ballot pamphlet mailed pursuant to Section 9094 of the Elections Code, the information specified in Section 9084 of that code regarding the bond act contained in Section 1 of this act.

SEC. 4. Notwithstanding any other provision of law, all ballots shall have printed thereon and in a square thereof, the words: “ Safe Facilities, Improved Mobility, and Clean Air Bond Act of 2005,” and in the same square under those words, the following in 8-point type: “This act provides for a bond issue of ~~seven billion eight hundred twenty-five million dollars (\$7,825,000,000)~~ *ten billion two hundred seventy-five million dollars (\$10,275,000,000)* to provide funds for an essential public works facilities retrofit program.” Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the

1 expression of the voters' choice by means thereof are in  
2 compliance with this section.

3 SEC. 5. This act is an urgency statute necessary for the  
4 immediate preservation of the public peace, health, or safety  
5 within the meaning of Article IV of the Constitution and shall go  
6 into immediate effect. The facts constituting the necessity are:

7 In order for this act to be submitted to voters at the earliest  
8 possible time, it is necessary for this act to take effect  
9 immediately.